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**DeNUCCI QUESTIONS TECHNOLOGY GROUP'S
CONSULTANT, PAYROLL AND TRAVEL EXPENSES**

State Auditor Joe DeNucci reported today that the Massachusetts Technology Park Corp. (MTPC), a quasi-public state agency that is responsible for promoting technology-related research and administers the consumer-funded renewable energy trust fund, has spent thousands of dollars on questionable consultant services, bonuses and other perks for officials and employees.

DeNucci's audit showed that the Westborough-based MTPC, which took in more than \$50 million in revenue last year – including more than \$45 million in additional charges on consumer utility bills for development of renewable energy sources - lacks the proper internal controls needed to document that consulting services, bonus pay and travel expenses are allowable and business-related.

MTPC paid more than \$2.6 million to 32 consultants during a period of nearly two years, but DeNucci's audit showed payments to consultants did not contain adequate documentation to verify the scope of services provided, the terms of payment, or whether the services were provided. These payments were made without written contracts specifying the consultants' obligations.

"Without a written contract between management and its consultants, there is no way of documenting that a required service has actually been provided," DeNucci said.

DeNucci's audit contained these other findings:

- The corporation made \$364,814 in questionable payments to employees for annual performance, holiday and other types of bonuses, as well as buy-backs of earned time, even though it does not have up-to-date employee policies detailing such benefits.

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- During the audit period, MTPC spent \$305,000 on bonuses that ranged from \$1,000 to \$45,000 per employee. One official received bonuses of \$40,000 and \$45,000 in each of the two years reviewed, while another employee received a \$7,800 “signing bonus.”
- The corporation spent \$15,812 in credit card charges that were inadequately documented or did not state a clear business purpose. These charges included airfare, hotel charges in Venice, Italy, and an \$846 restaurant tab at the Harvard Club.
- Six administrative staff members with American Express and Diners Club corporate credit cards are not required to submit original receipts to substantiate the validity of their expenditures.

In another area, DeNucci said the corporation has not maximized the return on its total investments of more than \$100 million. Nearly all of its money is invested with the Massachusetts Municipal Depository Trust at an interest rate of 6.18 percent. But DeNucci said MTPC could have conservatively earned more interest by investing these funds in 90-day CDs at a rate of 6.5 percent.

DeNucci said the corporation has not yet begun any large-scale use of the renewable energy fund. Although the agency said these efforts were hindered by a lawsuit challenging the surcharges, DeNucci noted that the suit was dismissed last April.

“Consumers and businesses in Massachusetts are paying record-high utility bills, including this hidden tax,” said DeNucci, “The Massachusetts Technology Park Corporation has a critical responsibility to help find ways to alleviate this energy crisis. Yet not only has it not implemented a renewable energy plan, but it is spending its funds in ways that may not be reasonable or responsible. That is unfair to consumers.”